

Learning from the policy cycle : local development and the evolution of CDD

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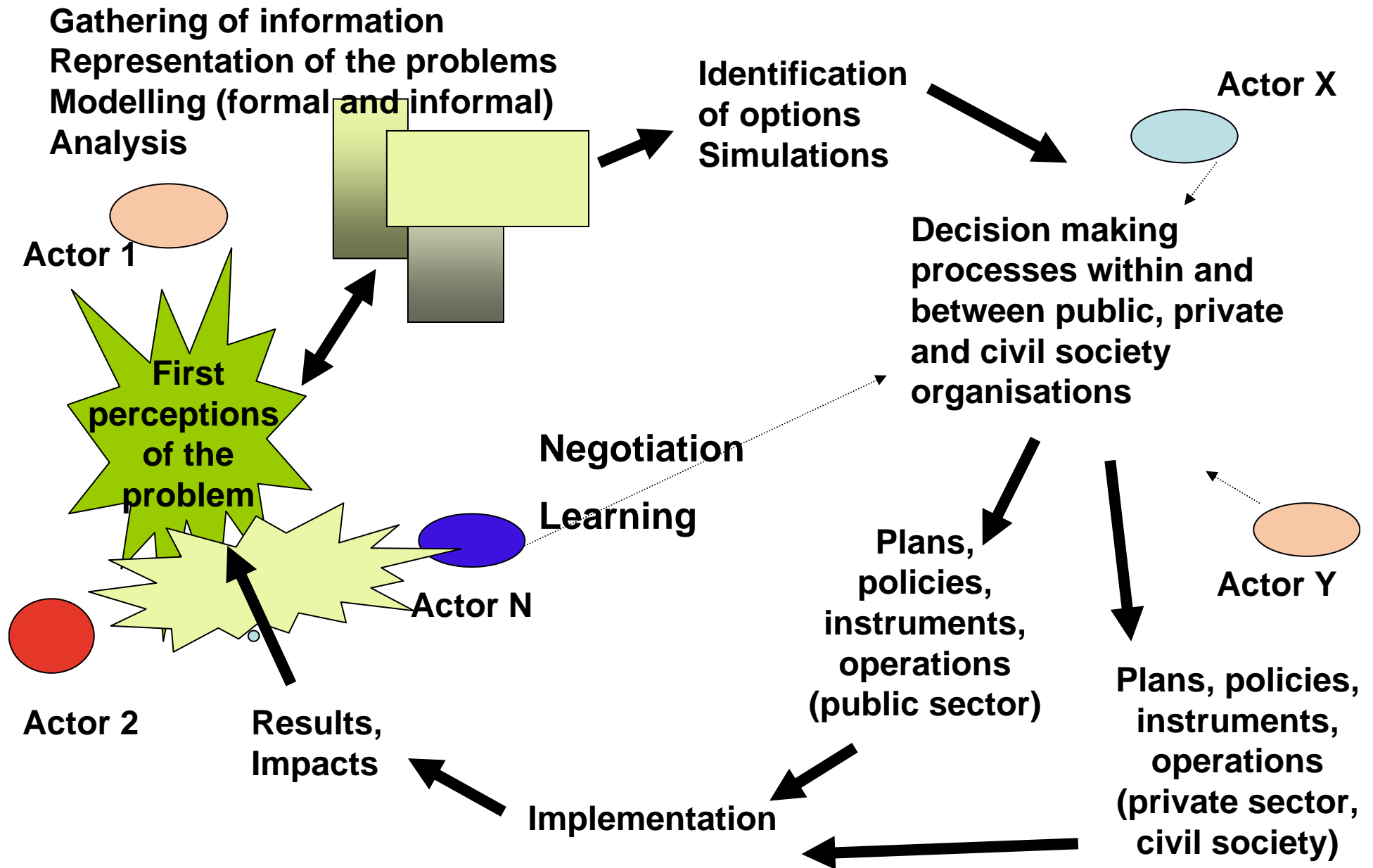
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CDD and local development : learning from the policy cycle

4 aspects will be reviewed:

- 1. CDD : an instrument without policies?
- 2. CDD : dissemination before learning...?
- 3. How instrument-centered thinking has hampered our capacity to imagine and practice new approaches to local development
- 4. The need to (re)master our knowledge of the whole public and private policy cycles

Presenting the policy cycle



Situating CDD in a historical perspective

- Social Investment Fund in Bolivia 1984-85.
- Initial design of the Integrated Rural Development programme Phase III in Colombia (1987-1990)
- 1990-1995 Implementation of IRD Phase III (Colombia). First implementation problems identified
- 1995-1997 Worldbank team in Colombia seeks to unify diverse co-financing funds. Political hold-up on the “unified cofinancing system” brings system to collapse.
- 1988-1999 Meanwhile..., dissimination of the original concept IRD phase III (under the label “CDD”) in LA and world-wide.

Situating CDD in a historical perspective COLOMBIA : FROM IRD II to IRD III (“CDD”)

The problem that led to the crafting of a new instrument (as perceived in 1987-1990) :

- Peace dialogue, solution for the payment of the internal social debt (poverty reduction strategy)
- Within a rich context of agriculture sector and regional development policies and many well functioning other instruments, the need for a massive additional public intervention in order to answer small-scale and scattered demands in the areas of poor peasant agriculture;
- The need to rethink the organisation of public finances (regional and social redistribution);
- While the objectives of RD remained valid, the need to overcome the operational failure of past standard IRD approaches;

FROM IRD II to IRD III (“CDD”)

Opportunities (as perceived in 1987-1990)

- The decentralization process launched in 1987, (as part of the political agreements in the framework of the dialogues for peace). Decentralisation was a key political demand since the late sixties...
- The reflexions on the decentralization of the executive branch allowed to rethink many other aspects of the functioning of the state (public finances, relations between the three branches of government)
- The results of the first demand-driven experience in Bolivia (1984-1987).

FROM IRD II to IRD III (CDD)

The design :

- Basically, conceived as a permanent tool for the transfer of public resources from the national level to lower levels of organisation ... + demand-driven, partly community implemented, competitive bidding, etc. etc.
- Able to transmit a variety of evolving policy signals over time (graduation).
- A demanding (capacity to steer) and also one-sided policy instrument (only distribution of grants).
- Three fragile “legs” : (i) existence of clearcut rules of the game (policy signals imbedded in the operations manual), (ii) qualified staff (inherited from 12 years experience of IRD phases I and II...), (iii) conditions for learning and further innovation and role of M&E there in.

ISSUES

Issue 1

“CDD” : a surrogate for policies?

As transferred world-wide under the label CDD

- Operation manuals are cloned from one country to another and delinked from any national ministerial policy signals, creating a divorce between the ministries and the organisations in charge of managing the funds.
- The instrument is presented as a temporary (4 year) “programme” or “project” instead of a LT tool. How then to build capacities at the community level and to eradicate poverty in a time span of 4 years?
- Most of the reviews are “instrument centered” (modifying the parameters within the given system) instead of looking back at the reasons that have led to the crafting of the CDD: what are the needs and livelihood strategies of poorer peasant families and what are the policy and instruments that might be useful to them? (lack of “constitutional learning”)

How did we arrive at an instrument without policies?

- Initially developed in a rich public policy and strong organisational context, the instrument, later labelled as CDD, has been exported to countries where the capacity to design and implement policies is weak or has been weakened (planning capacity dismantled).
- Initially developed **to fit** in a context where decentralisation has been the object of political demands since decades, the instrument has been used **to foster** decentralisation in countries where there is no such political demand.

Issue 2

A bug in the initial design : an explanation

Views as perceived by Colombia IRD III design team (1987-1990) :

- Avoid as much as possible IMF measures (reduction of public deficit, privatisation in the agri-sector, reorganisation of public interventions in rural areas).
- Our perception of the “private sector” : large commercial farming and exporting entrepreneurs.
- Therefore : present decentralisation of services and third-party implementation as an alternative to the privatisation plans.

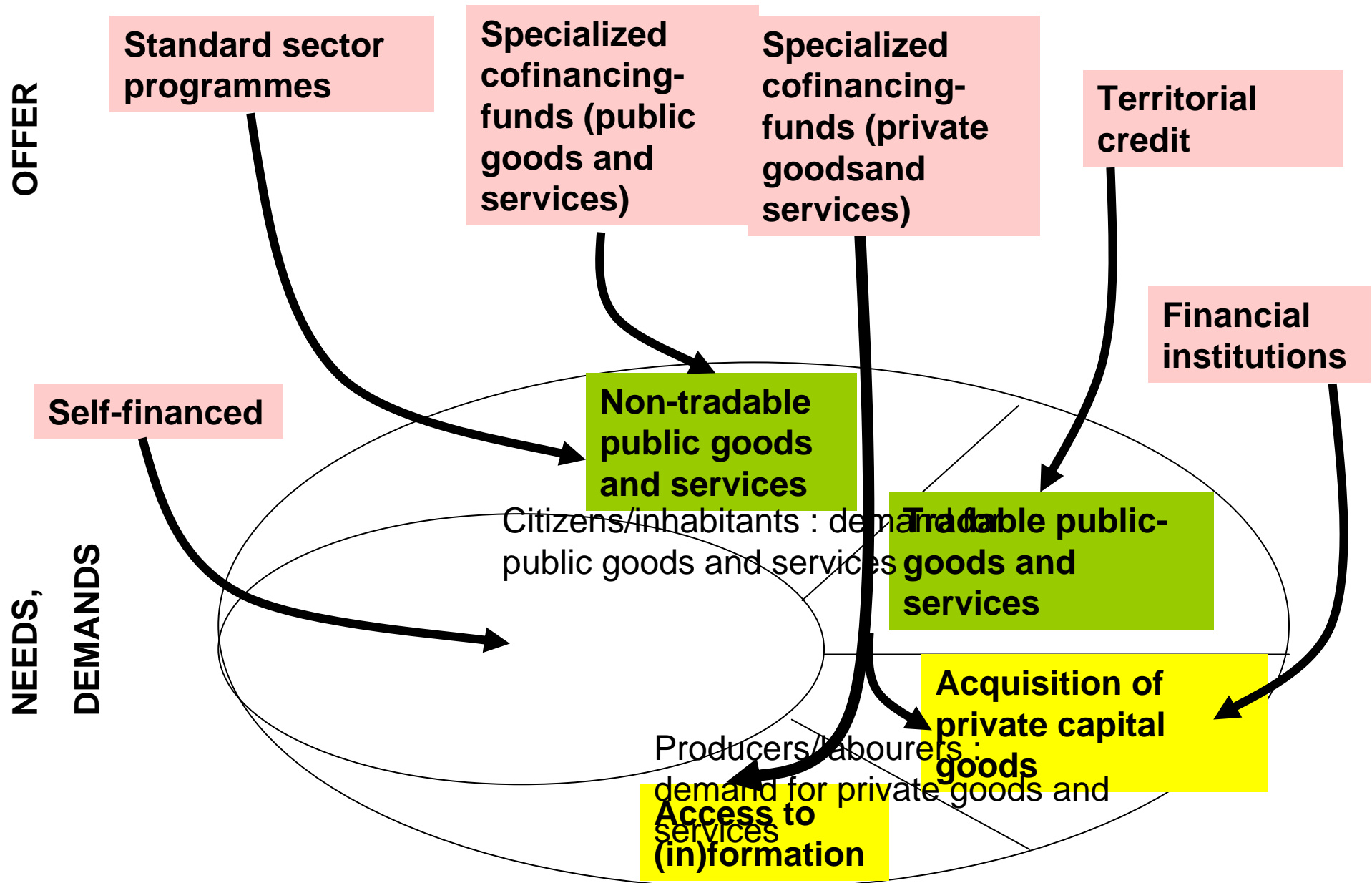
A bug in the initial design : decentralisation as an alternative to privatisation?

- As a consequence : every transferable function performed by national government was transferred to local government without considering alternatives
- Thus, in the first years of implementation, municipalities were in charge of delivering not only public goods and services, but also involved in productive activities (technical assistance, managing mills and stockage facilities, etc...).
- This ineffective mixing up of the delivery of public and private goods and services may still be found in several of the CDD's worldwide.

Learning from the policy cycle

- Avoiding instrument-centered analysis
- The need to resituate instruments in their policy and organisational context
- Going back to field analysis of the demands for public and private policies and instruments

**Specific demands ask for specific tools : the need
for a specialisation of instruments**



New approaches to local development

**LOCAL DEVELOPMENT =
PRIVATE SECTOR DEVELOPMENT +
PUBLIC SECTOR DEVELOPMENT +
DEVELOPMENT OF CIVIL SOCIETY**

The challenge ahead : IFAD's role in developing policies and instruments for an inclusive private sector development

